

VILLAGE OF IDA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2011

**BATES, MURRAY & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS**

**612 Barksdale Boulevard
Bossier City, Louisiana 71111**

VILLAGE OF IDA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2011

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INDEPENDENT AUDITOR'S REPORT

Bates, Murray & Company LLC

A FIRM OF CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Board of Aldermen
Village of Ida, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the major fund of the Village of Ida, Louisiana as of and for the year ended December 31, 2011, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Ida's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Ida, Louisiana, as of December 31, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2012, on our consideration of the Village of Ida, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in

accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Ida, Louisiana's financial statements as a whole. The "Other supplementary Information" section is presented for purposes of additional analysis and are not a required part of the financial statements.

Bates, Murray & Company LLC

Bates, Murray & Company LLC

Bossier City, Louisiana
June 29, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF IDA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2011

The Management's Discussion and Analysis of the Village of Ida's financial performance presents a narrative overview and analysis of the Village of Ida's financial activities for the year ended December 31, 2011. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Village of Ida's financial statements.

FINANCIAL HIGHLIGHTS

Governmental Activities

- 1) The Village of Ida had cash and investments of \$136,207 at December 31, 2011, which represents an increase of \$45,422 from prior year end.
- 2) The Village of Ida had accounts receivable of \$- 0- at December 31, 2011, which represents no change from prior year end.
- 3) The Village of Ida had accounts payable and accruals of \$2,371 at December 31, 2011, which represents a decrease of \$1,952 from prior year end.
- 4) The Village of Ida had total revenues of \$437,856 for the year ended December 31, 2011, which represents a decrease of \$368,020 from prior year end.
- 5) The Village of Ida had total expenditures of \$424,049 for the year ended December 31, 2011, which represents a decrease of \$347,437 from prior year end.
- 6) The Village of Ida had capital asset purchases of \$- 0- for the year ended December 31, 2011, which represents no change from prior year.
- 7) The Village of Ida had sewer project construction in progress of \$1,011,715 for the year ended December 31, 2011. The sewer project is pending completion awaiting further funding.

Business-Type Activities

- 1) The Village of Ida had cash and investments of \$102,369 for the year ended December 31, 2011, which represents a decrease of \$21,202 from prior year.
- 2) The Village of Ida had accounts receivable of \$3,725 for the year ended December 31, 2011, which represents a decrease of \$461 from prior year.
- 3) The Village of Ida had accounts payable and accruals of \$8,664 for the year ended December 31, 2011, which represents an increase of \$3,261 from prior year.
- 4) The Village of Ida had total operating revenues of \$48,562 for the year ended December 31, 2011, which represents a decrease of \$13,806 from prior year.
- 5) The Village of Ida had total operating expenses of \$130,963 for the year ended December 31, 2011, which represents an increase of \$25,255 from prior year.
- 6) The Village of Ida received through capital projects and purchases capital assets of \$6,548 for the year ended December 31, 2011, which represents an increase of \$6,548 from prior year.

VILLAGE OF IDA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2011

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Village of Ida as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information Other than MD&A

These financial statements consist of three sections-Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Village of Ida as a whole and present a longer-term view of the Village's finances. Fund financial statements are also included. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

Reporting the Village as a Whole

The Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the Village's finances is, "Is the Village as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

VILLAGE OF IDA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2011

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

These two statements report the Village's net assets and changes in them. You can think of the Village's net assets, the difference between assets and liabilities, as one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the Village's net assets are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities, we divide the Village into two kinds of activities:

Governmental Activities

Most of the Village's basic services are reported here. Taxes, licenses and permits, interest income, rental income, and miscellaneous other revenues finance most of these activities.

Business-Type Activities

The Village charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Village's water system and cemeteries are reported here.

Reporting the Village's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Village as a whole. Some funds are required to be established by State law and by bond covenants. However, the Village Board of Aldermen may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Village's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds

Most of the Village's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Village's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's activities as well as what remains for future spending.

Proprietary Funds

When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and Statement of Activities. In fact, the Village's enterprise funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows.

VILLAGE OF IDA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
December 31, 2011

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets As of Year End				
	Governmental Activities		Business-Type Activities	
	2011	2010	2011	2010
Current and other assets	\$ 1,152,507	\$ 758,930	\$ 127,008	\$ 180,104
Capital assets, net	<u>109,795</u>	<u>118,183</u>	<u>285,072</u>	<u>292,929</u>
Total Assets	<u>\$ 1,262,302</u>	<u>\$ 877,113</u>	<u>\$ 412,080</u>	<u>\$ 473,033</u>
Other liabilities	\$ 6,477	\$ 4,323	\$ 8,664	\$ 5,403
Long-term liabilities	<u>5,504</u>	<u>7,504</u>	<u>5,054</u>	<u>4,964</u>
Total Liabilities	<u>11,981</u>	<u>11,827</u>	<u>13,718</u>	<u>10,367</u>
Net assets				
Investment in capital assets, net of related debt	109,795	118,183	285,072	292,929
Restricted	1,056,945	664,401	12,595	46,493
Unrestricted	<u>83,581</u>	<u>82,702</u>	<u>100,695</u>	<u>123,244</u>
Total Net Assets	<u>1,250,321</u>	<u>865,286</u>	<u>398,362</u>	<u>462,666</u>
Total Liabilities and Net Assets	<u>\$ 1,262,302</u>	<u>\$ 877,113</u>	<u>\$ 412,080</u>	<u>\$ 473,033</u>

Net assets of the Village of Ida increased by \$385,035 and decreased \$64,304 from the previous fiscal year in Governmental Activities and Business-Type Activities respectively.

Statement of Activities For the Year Ended				
	Governmental Activities		Business-Type Activities	
	2011	2010	2011	2010
General government expenses	\$ (84,490)	\$ (123,648)	\$ (136,633)	\$ (105,708)
Program revenues				
Charges for services	0	0	48,562	62,368
Operating and capital grants and contributions	<u>347,948</u>	<u>708,706</u>	<u>37,000</u>	<u>0</u>
Subtotal	263,458	585,058	(51,071)	(43,340)
General revenues and transfers	<u>121,577</u>	<u>87,917</u>	<u>(12,686)</u>	<u>27,910</u>
Change in net assets	<u>\$ 385,035</u>	<u>\$ 672,975</u>	<u>\$ (63,757)</u>	<u>\$ (15,430)</u>

The Village of Ida's total revenues and transfers increased by \$33,660 and decreased by \$40,596 from the previous fiscal year in Governmental Activities and Business-Type Activities respectively. The total cost of all programs and services decreased \$39,158 and increased \$30,925 from the previous fiscal year in Governmental Activities and Business-Type Activities respectively.

VILLAGE OF IDA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
December 31, 2011

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2011, the Village of Ida had \$109,795 and \$285,072 net of depreciation in Governmental Activities and Business-Type Activities, respectively, invested in a broad range of capital assets (see table below). This amount represents a net decrease of \$8,388 and a net decrease of \$7,857 in Governmental Activities and Business-Type Activities, respectively, from the previous year.

	(Net of Depreciation)			
	Governmental Activities		Business-Type Activities	
	2011	2010	2011	2010
Land	\$ 4,800	\$ 4,800	\$ 10,196	\$ 10,196
Buildings and other improvements	75,120	81,008	0	0
Distribution system	0	0	274,876	282,733
Equipment	29,875	32,375	0	0
Furniture and fixtures	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 109,795	\$ 118,183	\$ 285,072	\$ 292,929
	<hr/>	<hr/>	<hr/>	<hr/>

Additions for 2011: Utility covers

Retirements for 2011: None

DEBT

The Village of Ida had long-term liabilities payable for Governmental Activities of \$6,504 and -0- for Business-Type Activities, respectively, outstanding at year end.

New debt for the year: None

VILLAGE OF IDA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2011

VARIATIONS BETWEEN FINAL BUDGET AND ACTUAL

Actual revenues were \$28,698 more than budgeted amounts due to sales tax, and other revenue being more than expected.

Actual expenditures were \$1,345 more than budgeted amounts due to general government expenditures being more than expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Village of Ida's elected officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Continued pursuit of a viable new water well.
- 2) Intergovernmental revenues (state and local grants).
- 3) Completion of the ongoing sewer project.

CONTACTING THE VILLAGE OF IDA'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Village of Ida's finances and to show the Village of Ida's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Clyde H. Maddox, Sr., Mayor of the Village of Ida, 7016 E. Magnolia, Ida, Louisiana 71044.

FINANCIAL STATEMENTS

EXHIBIT A

VILLAGE OF IDA, LOUISIANA
STATEMENT OF NET ASSETS
December 31, 2011

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets			
Cash	\$ 80,983	\$ 34,847	\$ 115,830
Investments	55,224	67,522	122,746
Accounts Receivable	0	3,725	3,725
Due from General Fund	0	3,106	3,106
Restricted Assets-Cash	0	9,208	9,208
Restricted Assets-Investments	0	3,387	3,387
Prepaid Expenses	4,585	5,213	9,798
Construction in Progress-Sewer Project	1,011,715	0	1,011,715
Total Current Assets	<u>1,152,507</u>	<u>127,008</u>	<u>1,279,515</u>
Noncurrent Assets			
Capital assets, net	<u>109,795</u>	<u>285,072</u>	<u>394,867</u>
Total Assets	<u>\$ 1,262,302</u>	<u>\$ 412,080</u>	<u>\$ 1,674,382</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current Liabilities			
Current portion of long-term debt	\$ 1,000	\$ 0	\$ 1,000
Accounts payable and accruals	2,371	8,664	11,035
Due to Utility Fund	3,106	0	3,106
Total Current Liabilities	<u>6,477</u>	<u>8,664</u>	<u>15,141</u>
Noncurrent Liabilities			
Long-term debt, Bond Issue	5,504	0	5,504
Customer deposits	0	5,054	5,054
Total Noncurrent Liabilities	<u>5,504</u>	<u>5,054</u>	<u>10,558</u>
Total Liabilities	<u>11,981</u>	<u>13,718</u>	<u>25,699</u>
NET ASSETS			
Investment in capital assets, net of related debt	109,795	285,072	394,867
Restricted	1,056,945	12,595	1,069,540
Unrestricted	83,581	100,695	184,276
Total Net Assets	<u>\$ 1,250,321</u>	<u>\$ 398,362</u>	<u>\$ 1,648,683</u>

EXHIBIT B

**VILLAGE OF IDA, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General Government	\$ 76,102	\$ 0	\$ 0	\$ 0	\$ (76,102)	\$ 0	\$ (76,102)
Depreciation	8,388	0	0	0	(8,388)		
Public Works	0	0	0	347,948	347,948	0	347,948
Total Governmental Activities	84,490	0	0	347,948	263,458	0	263,458
Business-Type Activities							0
Utility Fund	87,198	42,157	37,000	0	0	(8,041)	(8,041)
Other	6,607	0	0	0	0	(6,607)	(6,607)
Interest Expense	0	0	0	0	0	0	0
Cemetery Fund	42,828	6,405	0	0	0	(36,423)	(36,423)
Total Primary Government	\$ 221,123	\$ 48,562	\$ 37,000	\$ 347,948	263,458	(51,071)	212,387
General Revenues							
Franchise taxes					5,879	0	5,879
License and permits					9,839	0	9,839
Rentals					1,056	0	1,056
Sales tax revenue					36,139	0	36,139
Interest income					615	703	1,318
Transfers					31,668	(31,668)	0
Traffic Fines					10,972	0	10,972
Donations					5,386	18,279	23,665
Miscellaneous					20,023	0	20,023
Total General Revenues					121,577	(12,686)	108,891
Change in Net Assets					385,035	(63,757)	321,278
Beginning Net Assets, Net of Prior Period Adjustment					865,286	462,119	1,327,405
Net Assets, End of year					\$ 1,250,321	\$ 398,362	\$ 1,648,683

EXHIBIT C

**VILLAGE OF IDA, LOUISIANA
BALANCE SHEET-GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Assets			
Cash	\$ 80,983	\$ 0	\$ 80,983
Investments	55,224	0	55,224
Accounts Receivable	0	0	0
Prepaid Expenses	<u>4,585</u>	<u>0</u>	<u>4,585</u>
Total Assets	\$ <u>140,792</u>	\$ <u>0</u>	\$ <u>140,792</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable and accruals	\$ 2,371	\$ 0	\$ 2,371
Due to Utility Fund	<u>3,106</u>	<u>0</u>	<u>3,106</u>
Total Liabilities	<u>5,477</u>	<u>0</u>	<u>5,477</u>
Fund Balances			
Non-Spendable	4,585	0	4,585
Restricted	45,230	0	45,230
Unrestricted:			
Assigned	29,323	0	29,323
Unassigned	<u>56,177</u>	<u>0</u>	<u>56,177</u>
Total Fund Balance	<u>135,315</u>	<u>0</u>	<u>135,315</u>
Total Liabilities and Fund Balances	\$ <u>140,792</u>	\$ <u>0</u>	\$ <u>140,792</u>

EXHIBIT D

**VILLAGE OF IDA, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011**

Total Fund Balances for Governmental Funds (Exhibit C) \$ 135,315

Total Net Assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 4,800
Buildings and other improvements, net of \$146,218 in accumulated depreciation	75,120
Equipment, furniture, and fixtures, net of \$63,380 in accumulated depreciation	29,875
Construction in Progress-Sewer Project	<u>1,011,715</u>

Total Capital Assets 1,121,510

Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund liabilities. Those liabilities consist of:

Long-term debt, Bond Issue Sewer Project	<u>(6,504)</u>	
Total Long-term Liabilities		<u>(6,504)</u>

Total Net Assets of Governmental Activities (Exhibit A) \$ 1,250,321

EXHIBIT E

VILLAGE OF IDA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL
REVENUES			
Franchise Fees	\$ 5,879	\$ 0	\$ 5,879
Grant Revenue-Sewer Grant FY 2005	0	347,948	347,948
DEQ Bond Issue-Sewer Project	0	0	0
Other Grant Revenue-Louisiana Cooperative	0	0	0
Licenses and Permits	9,839	0	9,839
Sales Tax Revenue	36,139	0	36,139
Interest	615	0	615
Rentals	1,056	0	1,056
Donations	5,386	0	5,386
Traffic Fines	10,972	0	10,972
Other Revenues	20,022	0	20,022
Total revenues	89,908	347,948	437,856
EXPENDITURES			
Payroll	3,091	0	3,091
Casual Labor	17,644	0	17,644
Dues and Publications	905	0	905
Insurance	5,337	0	5,337
Repairs and Maintenance	1,139	0	1,139
Office	1,193	0	1,193
Professional Fees	15,959	0	15,959
Police Department	1,898	0	1,898
Supplies	8,677	0	8,677
Utilities	9,286	0	9,286
Telephone	2,211	0	2,211
Street Lighting	0	0	0
Travel	0	0	0
Capital Outlays	0	347,948	347,948
Miscellaneous	8,761	0	8,761
Total Expenditures	76,101	347,948	424,049
Excess (deficiency) of revenues over expenditures	13,807	0	13,807
Other financing sources (uses)			
Operating transfers in	43,619	0	43,619
Operating transfers out	(11,951)	0	(11,951)
Net other financing sources (uses)	31,668	0	31,668
NET CHANGE IN FUND BALANCES	45,475	0	45,475
FUND BALANCE AT BEGINNING OF YEAR	89,840	0	89,840
FUND BALANCE AT END OF YEAR	\$ 135,315	\$ 0	\$ 135,315

EXHIBIT F

**VILLAGE OF IDA, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

Net Change in Fund Balances-Total Governmental Funds (Exhibit E) \$ 45,475

The change in Net Assets reported for governmental activities in the statement of activities is different because:

Construction in progress is reported in the Statement of Net Assets, however is not reported in the Fund Balance. Construction in progress additions for 2011 is \$ 347,948. Construction in progress includes the incomplete sewer project. 347,948

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$0) exceeds depreciation (\$8,388) in the current period. (8,388)

Change in Net Assets of Governmental Activities (Exhibit B) \$ 385,035

EXHIBIT G

VILLAGE OF IDA, LOUISIANA
STATEMENT OF NET ASSETS-PROPRIETARY FUNDS
December 31, 2011

	<u>Utility Fund</u>	<u>Cemetery Fund</u>	<u>Total</u>
Assets			
Current Assets			
Cash	\$ 9,987	\$ 24,860	\$ 34,847
Investments	0	67,522	67,522
Accounts Receivable	3,725	0	3,725
Due From General Fund	3,106	0	3,106
Restricted Assets-Cash	9,208	0	9,208
Restricted Assets-Investments	3,387	0	3,387
Prepaid Expenses	5,213	0	5,213
Total Current Assets	34,626	92,382	127,008
Noncurrent Assets			
Capital assets, net of accumulated depreciation	276,172	8,900	285,072
Total Assets	\$ 310,798	\$ 101,282	\$ 412,080
Liabilities and Fund Balances			
Current Liabilities			
Accounts payable and accruals	\$ 8,664	\$ 0	\$ 8,664
Note Payable, current portion	0	0	0
Due to General Fund	0	0	0
Total Current Liabilities	8,664	0	8,664
Noncurrent Liabilities			
Customer deposits	5,054	0	5,054
Total Liabilities	13,718	0	13,718
Net Assets			
Investments in capital assets, net of related debt	276,172	8,900	285,072
Restricted	12,595	0	12,595
Unrestricted	8,313	92,382	100,695
Total Net Assets	\$ 297,080	\$ 101,282	\$ 398,362

EXHIBIT H

VILLAGE OF IDA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS-
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>UTILITY FUND</u>	<u>CEMETARY FUND</u>	<u>TOTAL</u>
<u>OPERATING REVENUES</u>			
Charges for Services	\$ 42,157	\$ 3,900	\$ 46,057
Other Revenues	<u>0</u>	<u>2,505</u>	<u>2,505</u>
 Total revenues	 <u>42,157</u>	 <u>6,405</u>	 <u>48,562</u>
 <u>OPERATING EXPENSES</u>			
Payroll	10,306	0	10,306
Casual Labor	104	9,333	9,437
Repairs and Maintenance	48,773	26,500	75,273
Office	909	64	973
Professional Fees	1,735	0	1,735
Insurance	2,971	0	2,971
Utilities	3,200	104	3,304
Depreciation	14,406	0	14,406
Miscellaneous	<u>4,794</u>	<u>6,827</u>	<u>11,621</u>
 Total Expenditures	 <u>87,198</u>	 <u>42,828</u>	 <u>130,026</u>
 Operating Income/(Loss)	 <u>(45,041)</u>	 <u>(36,423)</u>	 <u>(81,464)</u>
 <u>NONOPERATING REVENUES/(EXPENSES)</u>			
Interest Income	25	678	703
Contributions	0	18,279	18,279
Other	(6,607)	0	(6,607)
Grants	37,000	0	37,000
Interest Expense	0	0	0
Other financing sources (uses)			
Operating transfers in	11,951	0	11,951
Operating transfers out	<u>(43,619)</u>	<u>0</u>	<u>(43,619)</u>
 Change in Net Assets	 (46,291)	 (17,466)	 (63,757)
 Net Assets, Beginning of year			
Net of Prior Period Adjustment	<u>343,371</u>	<u>118,748</u>	<u>462,119</u>
 Net Assets, End of year	 <u>\$ 297,080</u>	 <u>\$ 101,282</u>	 <u>\$ 398,362</u>

See accompanying notes and accountant's report.

EXHIBIT I

VILLAGE OF IDA, LOUISIANA
STATEMENT OF CASH FLOWS-
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	UTILITY FUND	CEMETARY FUND	TOTAL
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Operating Income (Loss)	\$ (45,041)	\$ (36,423)	\$ (81,464)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	14,406	0	14,406
(Increase) Decrease in Accounts Receivable	460	0	460
(Increase) Decrease in Prepaids	(2,465)	0	(2,465)
Increase (Decrease) in Accounts Payable	3,261	0	3,261
Increase (Decrease) in Customer Deposits	90		
Prior Period Adjustment	(547)	0	(547)
Net Cash Provided (Used) by Operating Activities	(29,836)	(36,423)	(66,259)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Net Transfers from other funds	(31,668)	0	(31,668)
Other	(6,607)	0	(6,607)
Grant Revenue & Contributions	37,000	18,279	55,279
Net Cash Provided (Used) by Noncapital Financing Activities	(1,275)	18,279	17,004
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Capital Expenditures for plant & equipment	(6,548)	0	(6,548)
Interest Expense	0	0	0
Loan Payoff	0	0	0
Net Cash Provided (Used) by Capital and Related Financing Activities	(6,548)	0	(6,548)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Sale of Investments	3,387	82,487	85,874
Purchase of Investments	(3,387)	(67,522)	(70,909)
Interest Income	25	678	703
Net Cash Provided (Used) by Investing Activities	25	15,643	15,668
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(37,634)	(2,501)	(40,135)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	56,829	27,361	84,190
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 19,195	\$ 24,860	\$ 44,055

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

The Village of Ida was incorporated in 1967 under the provisions of LA R.S. 33:321-48. The Village operates under a Mayor-Aldermen form of government. The Village's major operations include utilities, cemeteries, and general administrative services.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements of the Village of Ida have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

B. Reporting Entity

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village of Ida is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Village of Ida may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

C. Government - Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets, Exhibit A, and the Statement of Activities, Exhibit B) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include a) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and b) grants and contributions that are restricted to meeting the operational or capital

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, debt extinguishment, long-term proceeds, et cetera) are accounted for as other financing sources/(uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Village of Ida reports the following governmental, proprietary and fiduciary funds:

Governmental Funds

Governmental funds account for all or most of the Village of Ida's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term obligations.

General Fund - is the general operating fund of the Village of Ida. It is used to account for all financial resources except those required to be accounted for in another fund. General tax revenues and other sources of revenue used to finance the fundamental operations of the Village of Ida are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

Proprietary Funds

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The Village of Ida applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Enterprise Fund - is used to account for operations a) that are financed/operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or b) where the governing body has decided the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amounts reported as program revenues include a) charges to customers or applicants for goods, services, or privileges provided, b) operating grants and contributions, and c) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Net Assets/Fund Balances

In the Statement of Net Assets, the differences between a government's assets and liabilities are recorded as net assets. The three components of net assets are as follows:

Invested in Capital Assets, Net of Related Debt - This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets - This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

Unrestricted Net Assets - All other net assets that do not meet the definition of the aforementioned.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Nonspendable— Represents the amount that is not in a spendable form or is required to be maintained intact.

Restricted— Represents the amount that has been constrained to specific purposes by their providers, through constitutional provisions, or by enabling legislation.

Committed— Represents the amount constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned— Represents the amount a government intends to use for a specific purpose; intent can

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

be expressed by the governing body or by an official or body to which the governing body delegates that authority.

Unassigned – Represents the amount that is available for any purpose; these amounts are reported only in the general fund.

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Village of Ida prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Village of Ida amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

F. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Village of Ida, Louisiana defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

G. Investments

All investments are interest bearing deposits with original maturity dates in excess of three months and are stated at cost which approximates market value.

H. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

portion that is expected to be uncollectible.

I. Restricted Assets

The Enterprise Fund restricts customer deposits and an amount established by the Board of Aldermen for future fixed asset replacements.

J. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2011, no Governmental or Business-Type Activities receivables were considered to be uncollectible.

K. Capital Assets

Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and other improvements, 10 to 25 years for the distribution system and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

L. Compensated Absences

No liability is recorded for nonvesting accumulating rights to receive vacation or sick pay benefits.

M. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

N. Interfund Transactions

Interfund transactions which constitute reimbursements of the fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is being reimbursed. Nonrecurring or non-routine transfers of equity between funds are treated as residual equity transfers and reported as additions to or deductions from fund balance. All other transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds.

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Statements of Cash Flows (including restricted assets)

For purposes of the statement of cash flows, the Village of Ida considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

P. Refundable Deposits

The Water Fund of the Village of Ida requires customers to place a deposit before service is rendered. These monies are considered restricted and are held until the customer discontinues service.

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Village of Ida may deposit funds within a fiscal agent bank selected and designated by the Board of Aldermen. Further the Fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The deposits at December 31, 2011 were secured as follows:

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS
(continued)

	Cash	Certificates of Deposit	Total
Deposits in bank accounts per balance sheet	\$ <u>115,830</u>	\$ <u>122,746</u>	\$ <u>238,576</u>
Bank Balances:			
1 Insured or collateralized with securities held by the entity or its agency in the entity's name	\$ 115,830	\$ 122,746	\$ 238,576
2 Collateralized with securities held by the pledging institution's trust department or agent in the entity's name	0	0	0
3 Uncollateralized, including any securities held for the entity but not in the entity's name	<u>0</u>	<u>0</u>	<u>0</u>
Total Bank Balances	\$ <u>115,830</u>	\$ <u>122,746</u>	\$ <u>238,576</u>

B. Investments

At December 31, 2011, the Village had investments of \$122,746.

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2011:

	Governmental Activities	Business-Type Activities	Total
Charges for services	\$ 0	\$ 3,725	\$ 3,725
Other	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 0</u>	<u>\$ 3,725</u>	<u>\$ 3,725</u>

NOTE 4 CAPITAL ASSETS

A summary of the Village of Ida's capital assets at December 31, 2011 follows:

	Balance Dec. 31, 2010	Additions	Retirements	Balance Dec. 31, 2011
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 4,800	\$ 0	\$ 0	\$ 4,800
Total Capital Assets, not being depreciated	<u>4,800</u>	<u>0</u>	<u>0</u>	<u>4,800</u>
Capital Assets, being depreciated				
Buildings and other improvements	221,338	0	0	221,338
Less accumulated depreciation	(140,330)	(5,888)	0	(146,218)
Total Buildings and Building Improvements	<u>81,008</u>	<u>(5,888)</u>	<u>0</u>	<u>75,120</u>
Equipment, furniture and fixtures	93,255		0	93,255
Less accumulated depreciation	(60,880)	(2,500)	0	(63,380)
Total Equipment, Furniture and Fixtures	<u>32,375</u>	<u>(2,500)</u>	<u>0</u>	<u>29,875</u>
Total Capital Assets, being depreciated	<u>113,383</u>	<u>(8,388)</u>	<u>0</u>	<u>104,995</u>
Governmental Activities				
Total Capital Assets, net	<u>\$ 118,183</u>	<u>\$ (8,388)</u>	<u>\$ 0</u>	<u>\$ 109,795</u>
Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ 10,196	\$ 0	\$ 0	\$ 10,196
Total Capital Assets, not being depreciated	<u>10,196</u>	<u>0</u>	<u>0</u>	<u>10,196</u>
Capital Assets, being depreciated				
Distribution system	435,571	6,549	0	442,120
Less accumulated depreciation	(152,838)	(14,406)	0	(167,244)
Total Distribution System	<u>282,733</u>	<u>(7,857)</u>	<u>0</u>	<u>274,876</u>
Total Capital Assets, being depreciated	<u>282,733</u>	<u>(7,857)</u>	<u>0</u>	<u>274,876</u>
Business-Type Activities				
Total Capital Assets, net	<u>\$ 292,929</u>	<u>\$ (7,857)</u>	<u>\$ 0</u>	<u>\$ 285,072</u>
Primary Government				
Total Capital Assets, net	<u>\$ 411,112</u>	<u>\$ (16,245)</u>	<u>\$ 0</u>	<u>\$ 394,867</u>

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2011:

		<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Salaries and related benefits	\$	494 \$	3 \$	497
Other		1,877	8,661	10,538
Total	\$	<u>2,371 \$</u>	<u>8,664 \$</u>	<u>11,035</u>

NOTE 6 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

A. Interfund Receivables and Payables

		<u>Interfund Receivables</u>		<u>Interfund Payables</u>
General Fund	\$	0 \$		3,106
Utility Funds		3,106		0
	\$	<u>3,106 \$</u>		<u>3,106</u>

B. Operating Transfers

		<u>Operating In</u>		<u>Transfers Out</u>
General Fund	\$	43,619 \$		(11,951)
Utility Fund		(11,951)		43,619
	\$	<u>31,668 \$</u>		<u>(31,668)</u>

NOTE 7 LONG-TERM DEBT

Revenue Bond Issue

The Village of Ida had long-term debt totaling \$6,504 for the year ended December 31, 2011. The debt consists of a draw on the State of Louisiana Department of Environmental Quality State Revolving Fund Loan in the amount of \$6,504 used to pay the legal fees for the bond issuance. The DEQ loan is part of a \$250,000 Revenue Bond issue, Series 2010 for the Village of Ida. Repayment terms are at an annual interest rate of 0.45% and fees at a rate of 0.5%. The term of the bond issue is for 20 years. The sewer project has not yet been completed and ongoing expenses are shown as "Construction-in Progress" in Exhibit A of the financial statements.

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 7 LONG-TERM DEBT (continued)

Repayment Schedule for Revenue Bonds, based on current balance of \$6,504 at December 31, 2011:

<u>Year</u>	<u>Principal Due</u>	<u>Interest Due</u>
2012	\$1,000	\$32
2013	5,504	46

NOTE 8 LEASES

The Village of Ida was not obligated under any capital or operating lease commitments at December 31, 2011.

NOTE 9 RISK MANAGEMENT

The Village of Ida is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village of Ida maintains commercial insurance coverage covering each of those risks of loss through the Louisiana Municipal Risk Management Agency. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village of Ida.

NOTE 10 LITIGATION

There was no outstanding litigation against the Village of Ida at December 31, 2011. However, a pending lawsuit does exist at June 29, 2012. Outcome is not determinable.

NOTE 11 CLAIMS AND JUDGEMENTS

The Village of Ida participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Village of Ida may be required to reimburse the grantor government. The Village of Ida believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Village of Ida.

NOTE 12 PRIOR PERIOD ADJUSTMENT

An adjustment totaling \$547 was made to beginning net assets to reflect an adjustment to the proprietary funds beginning bank balance.

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE 1

VILLAGE OF IDA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS- BUDGET (GAAP BASIS) AND ACTUAL-GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>				
Franchise Fees	\$ 6,500	\$ 6,500	\$ 5,879	\$ (621)
Grant Revenue	32,117	347,948	347,948	0
Licenses and Permits	10,000	10,000	9,839	(161)
Sales Tax Revenue	32,000	15,000	36,139	21,139
Interest	183	10	615	605
Rentals	4,000	1,500	1,056	(444)
Street Lights	1,500	1,500	0	(1,500)
Contributions	5,000	5,000	5,386	386
Police Department	3,000	10,000	10,972	972
Other Revenues	<u>1,500</u>	<u>11,700</u>	<u>20,022</u>	<u>8,322</u>
Total revenues	<u>95,800</u>	<u>409,158</u>	<u>437,856</u>	<u>28,698</u>
<u>EXPENDITURES</u>				
Payroll	3,500	3,174	3,091	83
Casual Labor	9,500	16,020	17,644	(1,624)
Dues and Publications	1,800	798	905	(107)
Insurance	4,800	4,339	5,337	(998)
Repairs and Maintenance	11,000	1,697	1,139	558
Office	1,000	1,193	1,193	0
Professional Fees	7,500	15,869	15,959	(90)
Supplies	7,000	10,274	8,677	1,597
Utilities	8,500	9,286	9,286	0
Telephone	2,300	2,026	2,211	(185)
Street Lighting	0	0	0	0
Travel	300	0	0	0
Capital Outlay	32,000	347,948	347,948	0
Dispense Traffic Fines	3,500	1,476	1,898	(422)
Miscellaneous	<u>3,100</u>	<u>8,604</u>	<u>8,761</u>	<u>(157)</u>
Total Expenditures	<u>95,800</u>	<u>422,704</u>	<u>424,049</u>	<u>(1,345)</u>
NET CHANGE IN FUND BALANCES	0	(13,546)	13,807	27,353
Net Operating Transfers In	0	0	31,668	31,668
FUND BALANCE AT BEGINNING OF YEAR	<u>89,840</u>	<u>89,840</u>	<u>89,840</u>	<u>89,840</u>
FUND BALANCE AT END OF YEAR	\$ <u><u>89,840</u></u>	\$ <u><u>76,294</u></u>	\$ <u><u>135,315</u></u>	\$ <u><u>148,861</u></u>

OTHER SUPPLEMENTAL INFORMATION

VILLAGE OF IDA, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO MEMBERS OF THE BOARD OF ALDERMEN
FOR THE YEAR ENDED DECEMBER 31, 2011

Compensation Paid to Board Members

The schedule of compensation paid to the Mayor and members of the Board of Aldermen of the Village of Ida, Louisiana is included in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Mayor and Aldermen is included in the general government expenditures of the general fund.

<u>Members</u>	
Mayor Maddox	\$ 0
Alderman Shaw	300
Alderman Dial	300
Alderman Thomas	<u>300</u>
Total	\$ <u><u>900</u></u>

OTHER REPORTS

Bates, Murray & Company LLC

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Board of Aldermen
Village of Ida, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, the major fund and the aggregate remaining fund information of the Village of Ida, as of and for the year ended December 31, 2011, which collectively comprise the Village of Ida, Louisiana's basic financial statements and have issued our report thereon dated June 29, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village of Ida's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Village of Ida, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Ida's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses (Findings 2011-1 through 2011-5) and one other deficiency that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned cost as Finding 2011-6.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses, in combination, as evidenced by Findings 2011-1, 2011-2, 2011-3, 2011-4, and 2011-5.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned cost Finding 2011-6 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Ida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. Finding 2011-5 discloses a misappropriation of funds of the Village of Ida. The results of our tests disclosed no other instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Aldermen, management, and others within the Village, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Bates, Murray & Company LLC

Bates Murray & Company LLC

Bossier City, Louisiana
June 29, 2012

**VILLAGE OF IDA, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Reference Number	Description of Finding	Current Status
2010-1	Subsidiary accounts receivable ledgers are not being adequately reconciled to the general ledger.	This is again a finding for the current year ended December 31, 2011.
2010-2	An inadequate segregation of duties exists with respect to accounting functions. Due to the limited number of personnel adequate segregation of duties may not be achievable since economic hardship would exceed the benefits derived.	This is again a finding for the current year ended December 31, 2011.

**VILLAGE OF IDA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Reference Number	Description of Finding	Corrective Action Planned	Contact Person	Anticipated Completion Date
2011-1	<p>Condition: Subsidiary accounts receivable ledgers are not being adequately reconciled to the general ledger.</p> <p>Cause: Monthly procedure for adequate reconciliation not followed.</p> <p>Recommendation: Management should ensure appropriate monthly reconciliation procedure is followed to ensure adequate reconciliation.</p>	The utility accounts receivable account will be reviewed monthly by the Mayor to ensure that sales, receivables, and adjustments are properly recorded.	Clyde Maddox	Present
2011-2	<p>Condition: An inadequate segregation of duties exists with respect to accounting functions. Due to the limited number of personnel, adequate segregation of duties was not achievable and evidenced by a misappropriation of funds in 2011 and 2012 by the Village Clerk. Other controls were not effective in reducing exposure to risk.</p> <p>Cause: Limited number of personnel available to carry out day to day activities of the Village.</p> <p>Recommendation: Institute other safeguards to mitigate exposure to risk. Use of Village Board members and determining the feasibility of hiring another utility department employee are recommended.</p>	The Village Clerk has been replaced and the Board has determined that it will hire an additional utility department employee to help achieve a higher level of segregation. The Board will also invoke a chain of review that will mitigate further exposure	Clyde Maddox	Present
2011-3	<p>Condition: Instances noted where documentation was missing or lacking.</p> <p>Cause: Village Clerk failed to support bank deposits with utility customer documentation.</p> <p>Recommendation: Management should ensure appropriate reconciliation procedures are followed to ensure adequate reconciliation of deposits and customer accounts.</p>	Procedures have been implemented to reconcile cash and checks received to the bank deposits.	Clyde Maddox	Present

VILLAGE OF IDA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2011

Reference Number	Description of Finding	Corrective Action Planned	Contact Person	Anticipated Completion Date
2011-4	<p>Condition: Lack of timely and accurate deposits of Village Utility revenue and failure to reconcile water revenue bank account.</p> <p>Cause: Bank deposits were not prepared, reconciled, and deposited on a consistent basis. The water revenue bank account was not reconciled monthly.</p> <p>Recommendation: Management should ensure timely deposits are made and should review all deposits and bank reconciliations prepared by the Village clerk.</p>	Deposits and bank statements will be reviewed by management and collections will be timely deposited and bank accounts timely reconciled in the future.	Clyde Maddox	Present
2011-5	<p>Condition: A string of misappropriation of funds occurred within the water revenue bank account in 2011 and further analysis revealed additional misappropriation in 2012.</p> <p>Cause: An inadequate segregation of duties exists with respect to accounting functions. Due to the limited number of personnel, adequate segregation of duties was not achievable and evidenced by a misappropriation of funds in 2011 and 2012 by the Village Clerk. Other controls were not effective in reducing exposure to risk.</p> <p>Recommendation: Pursue reimbursement of missing funds from the former Village Clerk or from a surety bond in existence at the time of the misappropriation. Institute other safeguards to mitigate exposure to risk. Use of Village Board members and determining the feasibility of hiring another utility department employee are recommended.</p>	The Village Clerk has been replaced and the Board has determined that it will hire an additional utility department employee to help achieve a higher level of segregation. The Board will also invoke a chain of review that will mitigate further exposure to risk. The Louisiana Legislative Auditor and the Caddo Parish District Attorney have been notified of this finding as required by LA R.S. 24:523.	Clyde Maddox	Present
2011-6	<p>Condition: The Village of Ida does not have a staff person with the training to apply Generally Accepted Accounting Principles in preparing its financial statements.</p> <p>Cause: The Village of Ida does not have a staff person who has the qualifications and training to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements, including the related notes.</p> <p>Recommendation: The additional costs required to achieve the desired benefit may not be economically feasible.</p>	Additional cost for benefit is not economically feasible.	Clyde Maddox	Present

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